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OLL 84-3747
4 October 1984

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Director, Office of Legislative Liaison

NOTE TO: Executive Director

SUBJECT: ADDS&T Paper on Pay Flexibility
and/or Benefits

- o Attached comments on Jim Hirsch's paper reflect reaction by both Ed and me. Though we feel skepticism about some of the specifics, we applaud the S&T initiative and effort to break through bureaucracy.
- o To a considerable extent, less conservative use of existing authorities and mechanisms would be seen as positive management steps and would, in fact, tackle a number of the areas Jim addresses.
- o Finally, while I have made a lot of noise myself about recruiting improvements and, particularly, creative retention planning, I have never felt that the major focus needs to be on financial return.

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Charles A. Briggs

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Comments: ADDS&T Paper on 'Possible
Additional Pay Flexibility and/or Benefits

The comments that follow are keyed to the ADDS&T's paragraph numbering:

Pay

a. General principle is OK and do-able now; cf. also Commo's banding proposal.

b. Technically, there is a contradiction in 'more responsible jobs at the same grade'; thus, fix the classification system if it needs fixing instead of introducing additional complexity into the pay system. However, less conservative use of PSI's; QSI's and other "bonuses" is also do-able now.

c. As long as there is such a system, certainly agree: 50% was the original intent of OPM - Congress is the real culprit in cutback.

d. Interesting idea, probably not now legal but worth considering. Obviously should not be pursued as a way to avoid legal prohibitions.

e. This, like b. above, sounds like an attempt to fix a problem by end-running it: basic problem is insufficient SIS authority. Proposal would complicate, if not screw up, the pay system. Again, PSI's, QSI's and cash awards are available.

f. Do not think exceeding Ambassadorial pay cap is a good idea to push. Alternative is certainly worth exploring, particularly if, in fact, it is available to others.

g. Certainly willingness to extend could be a qualifier. Questions: do we need additional incentives for overseas service? Are we having problems filling professional positions overseas - besides Africa and certain NE posts? Is the problem more acute in DS&T than DO - or DA?

h. Strongly favor creative thinking about retention of employees - even though for years our attrition rate has been very low: possibly this is one approach - not informed enough on 401(k) to comment.

Benefits: Basic concept fine - will require Congressional action. Specifics listed are a mixed bag.

a. I have a philosophic problem with Government payment of 100% but not with some increase to counter tendency for higher premiums and lower benefits. Some cynics/pragmatists would argue that the longer one serves, the less need there is for retention incentives.

b. First of all, use of annual leave should be encouraged - limitless accumulation is unhealthy, physically and emotionally. Second: can't imagine that Congress would buy it. Third, I fully expect Congress to put a cap on annual leave accrual for SISers when they begin to see a number of people cash in on retirement for \$30,000 and up.

c. Agree.

d. I know others are doing this but I doubt that it would fly -

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e. I strongly support external training and endorse use of the unused SIS sabbatical option. Problem is not the system but management constraint.

f. Personally disagree, but recognize that the DS&T perspective differs from the DD/DA

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g. Planned.

h. I feel ambivalent about this - and did, even, about the track. Recreational facilities abound in the area. Work hours are work hours. If one wants to/can insert exercise in between work hours, OK. But expensive (cost/space/maintenance) recreation facilities like a gymnasium or pool I guess I don't support.